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Gary S. Foster

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SCHIFF HARDIN, LLP
PATENT DEPARTMENT
233 S. Wacker Drive-Suite 6600
CHICAGO, IL 60606-6473

EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte GARY S. FOSTER,
JEFFREY C. ADDIS, and
ANDY LURO

Appeal 2009-011311
Application 09/930,920
Technology Center 3600

Decided: April 20, 2010

Before HUBERT C. LORIN, ANTON W. FETTING, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Gary S. Foster, et al. (Appellants) seek our review under 35 U.S.C. § 134 (2002) of the final rejection of claims 1-7, 9-12, 14-20, and 22-25. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We AFFIRM.¹

THE INVENTION

The invention relates to a “system for facilitating the processing and settlement of securities trades.” Specification [0002].

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

1. A system for facilitating processing and management of a securities trade comprising:
 - a computer;
 - trade execution information received by said computer, said trade execution information indicative of an executed securities trade by a first trading party;
 - trade allocation information received by said computer, said trade allocation information indicative of an ordered securities trade by a second trading party;
 - a set of predefined acceptable trade parameters specified by at least one of the first trading party and the second trading party;

¹ Our decision will make reference to the Appellants’ Appeal Brief (“App. Br.,” filed Nov. 16, 2007) and Reply Brief (“Reply Br.,” filed Mar. 28, 2008), and the Examiner’s Answer (“Answer,” mailed Feb. 22, 2008).

software executing on said computer for comparing said trade execution information with said trade allocation information, and for determining that a match exists if said trade execution information and said trade allocation information correlate within said set of predefined acceptable trade parameters; and

software executing on said computer for, if a match is determined to exist between said trade execution information and said trade allocation information, matching contract level details indicative of the executed trade by the first trading party with allocation level details indicative of the ordered trade by the second trading party, and creating contract notes based upon the matched contract level details and allocation level details.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Kawashima	US 2002/0188560 A1	Dec. 12, 2002
Wilton	US 2006/0053074 A1	Mar. 9, 2006
May	US 6,317,727 B1	Nov. 13, 2001
Kunihiko (Hitachi)	JP 2001-147956 A	May 29, 2001

The following rejections are before us for review:

1. Claims 1-7, 9-12, 14-20, and 22-25 are rejected under 35 U.S.C. §103(a) as being unpatentable over Kawashima, Hitachi, and Wilton.
2. Claims 8, 13, 21, and 26 are rejected under 35 U.S.C. §103(a) as being unpatentable over Kawashima, Hitachi, Wilton, and May.

ISSUE

The issue is whether Kawashima discloses “trade execution information indicative of an executed securities trade supplied by a first

trading party, and/or trade allocation information indicative of an ordered securities trade supplied by a second trading party (*i.e.*, an already executed securities trade).” App. Br. 10 (emphasis original); *see also* Reply Br. 2-3.

FINDINGS OF FACT

We rely on the Examiner’s factual findings stated in the Answer (Ans. 3-5).

PRINCIPLES OF LAW

Obviousness

Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’

KSR Int’l Co. v. Teleflex Inc., 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”) The Court in *Graham* further noted that evidence of secondary considerations “might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” *Graham*, 383 U.S. at 17-18.

ANALYSIS

The rejection of claims 1-7, 9-12, 14-20, and 22-25, under 35 U.S.C. §103(a) as being unpatentable over Kawashima, Hitachi, and Wilton.

The Appellants argued as a group claims 1-7, 9-12, 14-20, and 22-25 (App. Br. 9-15). We select claim 1 as the representative claim for this group, and the remaining claims 2-7, 9-12, 14-20, and 22-25 stand or fall with claim 1. 37 C.F.R. § 41.37(c)(1)(vii) (2007).

The Examiner found that

Kawashima discloses receiving trade execution information, the trade execution information indicative of an executed securities trade by a first trading party (buyer/seller) [Kawashima - paragraph [] 87-91; 149-]; receiving trade allocation information, the trade allocation information indicative of an ordered trade by a second trading party (seller/buyer) [Kawashima - paragraph [] 87-91].

Answer 3. The Appellants dispute the Examiner's characterization that Kawashima is directed to an executed/ordered securities trade as the claims require. "The only mention of a "security" whatsoever made in Kawashima et al. relates to a monetary security (*i.e.*, a surety) provided to cover debts in case a party becomes insolvent." App. Br. 11.

The Appellants do not otherwise challenge the Examiner's *prima facie* case of obviousness. Accordingly, we take as accepted that Kawashima generally discloses a system comprising a computer, two different types of information received by said computer, a set of parameters specified by a party, software for comparing the two types of information to determine whether they correlate with the parameters, and, if there is a match, software for matching certain contract level details with allocation level details, and creating contract notes based upon the matched contract level details and allocation level details. The only question is whether Kawashima further

discloses that the two different types of information the computer receives are trade execution information indicative of an executed securities trade by a first trading party and trade allocation information indicative of an ordered securities trade by a second trading party.

The difficulty with the Appellants' argument is that, even if for argument's sake Kawashima does not explicitly disclose information indicative of an executed securities trade and information indicative of an ordered securities trade, the distinction is a matter of the content of the information. That Kawashima discloses information is not being challenged. The prima facie case of obviousness is being challenged only on the grounds that the claimed system employs a different but specific kind of information; that is, the information of the claimed system is distinguished by being descriptive of an executed/ordered securities trade.

But patentable weight need not be given to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate (here the computer). *See In re Lowry*, 32 F.3d 1579, 1582-83 (Fed. Cir. 1994). *In re Ngai*, 367 F.3d at 1338. *See also, Ex parte Mathias*, 191 Fed. Appx. 959 (CCPA 2006). In that regard, the Appellants have not come forward with evidence sufficient to show that the structure of the computer is functionally affected by it receiving, specifically, "trade execution information indicative of an executed securities trade by a first trading party" and "trade allocation information indicative of an ordered securities trade by a second trading part" as opposed to receiving information in general.

Absent such evidence, it is reasonable to conclude that the claim limitations "trade execution information indicative of an executed securities

trade by a first trading party” and “trade allocation information indicative of an ordered securities trade by a second trading part” are descriptive and not functionally related to any structure of the claimed system and as such falls under the category of patentably inconsequential subject matter. *See Ex parte Curry*, 84 USPQ2d 1272, 1275 (BPAI 2005) (informative) (“Common situations involving nonfunctional descriptive material are: - a computer-readable storage medium that differs from the prior art solely with respect to nonfunctional descriptive material, such as music or a literary work, encoded on the medium, - a computer that differs from the prior art solely with respect to nonfunctional descriptive material that cannot alter how the machine functions (*i.e.*, the descriptive material does not reconfigure the computer), or - a process that differs from the prior art only with respect to nonfunctional descriptive material that cannot alter how the process steps are to be performed to achieve the utility of the invention.

Thus, if the prior art suggests storing a song on a disk, merely choosing a particular song to store on the disk would be presumed to be well within the level of ordinary skill in the art at the time the invention was made. The difference between the prior art and the claimed invention is simply a rearrangement of nonfunctional descriptive material.).” *See also Ex parte Mathias*, 84 USPQ2d 1276 (BPAI 2005) (informative).

Accordingly, we find that the distinction between Kawashima’s information and “trade execution information indicative of an executed securities trade by a first trading party” and “trade allocation information indicative of an ordered securities trade by a second trading part per claim 1 is a distinction based on nonfunctional descriptive material. Nonfunctional descriptive material cannot render nonobvious an invention that would have

otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). *Cf. In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability).

Accordingly, we find that the prima facie case of obviousness for the subject matter of claim 1 has not been overcome. We reach the same conclusion as to claims 2-7, 9-12, 14-20, and 22-25 which stand or fall with claim 1.

The rejection of claims 8, 13, 21, and 26 under 35 U.S.C. §103(a) as being unpatentable over Kawashima, Hitachi, Wilton, and May

The Appellant argued against the rejection of claims 8, 13, 21, and 26 for the same reasons used to argue against the rejection of claim 1. App. Br. 15. Accordingly, because we found them unpersuasive as to that rejection, we find them equally unpersuasive as to error in the rejection of claims 8, 13, 21, and 26.

The Appellants also argue that May “discloses, teaches or suggests nothing whatsoever that would lead one skilled in the art to make the modifications to Kawashima et al., Hitachi, Wilton et al. necessary to arrive at the claimed invention.” App. Br. 15. However, the Examiner pointed to specific disclosures in May the Examiner believed discloses the claim “step of allowing the first party to access, modify, and confirm the trading party profile” (Answer 8). The Appellants have not addressed this finding as to the scope and content of May. Rather, the Appellants have made a general allegation that the art does not teach any of the claim limitations. By making such an allegation and not addressing the Examiner’s findings to the contrary, the Appellants have done no more than merely point out the claim

limitations. A statement which merely points out what a claim recites will not be considered an argument for separate patentability of the claim. 37 C.F.R. 41.37(c)(1)(vii). Accordingly, the Appellants have not made a sufficient argument that the prima facie case of obviousness has not been established in the first instance. *Cf. SmithKline Beecham Corp. v. Apotex Corp.*, 439 F.3d 1312, 1320-21 (Fed. Cir. 2006) (treating insufficiently developed arguments as waived).

CONCLUSIONS

The rejections of claims 1-7, 9-12, 14-20, and 22-25 under 35 U.S.C. §103(a) as being unpatentable over Kawashima, Hitachi, and Wilton and claims 8, 13, 21, and 26 under 35 U.S.C. §103(a) as being unpatentable over Kawashima, Hitachi, Wilton, and May are sustained.

DECISION

The decision of the Examiner to reject claims 1-7, 9-12, 14-20, and 22-25 is affirmed.

AFFIRMED

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SCHIFF HARDIN, LLP
PATENT DEPARTMENT
233 S. WACKER DRIVE-SUITE 6600
CHICAGO IL 60606-6473